

## Message Text

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12

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 TRSE-00 SIL-01 LAB-04 H-02

CIAE-00 INR-07 NSAE-00 /032 W

----- 102380

R 120815Z DEC 76

FM AMEMBASSY DOHA

TO SECSTATE WASHDC 2076

INFO USDOC WASHDC

CUQMBI/AMEMBASSY ABU DHABI 0820

AMCONSUL DHAHRAN

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

UNCLAS DOHA 1332

E.O. 11652: N/A

TAGS: ETRD EFIN ELAB BEXP QA

SUBJ: LOSS OF TRADE DUE TO US TAX INCREASE ON OVERSEAS AMERICAN  
WORKERS

REF: ABU DHABI 3277, KUWAIT 5699

1. RECENT TAX INCREASE ON AMCITS OVERSEAS HAS ALSO BROUGHT HEAVY CRITICISM FROM WORKERS AND EMPLOYERS IN QATAR. SOME AMCITS HAVE ALREADY STATED THAT THEY WILL NOT RENEW EMPLOYMENT CONTRACTS TO WORK IN QATAR WHILE OTHERS HAVE STATED THAT THEY WOULD ONLY CONSIDER STAYING OVERSEAS IF US GOVERNMENT ADOPTS MORE REALISTIC ATTITUDE ABOUT EXPENSES OF LIVING HERE OR IF COMPANIES WOULD MAKE UP FOR BIGGER TAX BITE BY INCREASING COMPENSATION TO OVERSEAS EMPLOYEES. COMPANIES ARE MEANWHILE SAYING THAT THEIR COMPETITIVE POSITION PRECLUDES ANY SUCH ACTION.

2. US STANDS TO LOSE THREE WAYS: (A) US COMPETITIVE POSITION WILL BE ADVERSELY AFFECTED BY HIGHER EXPENSES RESULTING IN LOSS OF OVERSEAS CONTRACTS; (B) OVERSEAS WORKERS WILL ADD TO DOMESTIC JOB MARKET; (C) AND MOST IMPORTANT, LARGE POSITIVE EFFECT TO US BUSINESS PRESENCE ON DECISIONS CONCERNING MFUTURE CONTRACTS  
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AND SPECIFICATIONS WILL BE LOST.

3. ADDITIONAL BAD EFFECT HAS ALREADY BEEN NOTED IN THAT LOCAL  
BUSINESSMEN ARE HEARING SAME COMPLAINTS FROM THEIR AMERICAN  
COUNTERPARTS AND ARE WONDERING WHETHER US REALLY WANTS TO DO  
OVERSEAS BUSINESS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BUSINESSMEN, TRADE, INCOME TAXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 DEC 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976DOHA01332  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760458-0603  
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**Handling Restrictions:** n/a  
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**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 ABU DHABI 3277, 76 KUWAIT 5699  
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**Review Authority:** schwenja  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LOSS OF TRADE DUE TO US TAX INCREASE ON OVERSEAS AMERICAN WORKERS  
**TAGS:** ETRD, EFIN, ELAB, BEXP, QA, US  
**To:** STATE  
**Type:** TE  
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